

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)
Project/Well Name: Siewing 2
Operator: Scout Energy Management, LLC
Location: SE SW Section 1 T32N R32E
County: Phillips MT; **Field (or Wildcat):** Wildcat Phillips
Proposed Project Date: Spring 2023

I. DESCRIPTION OF ACTION

Scout Energy Management, LLC plans to re-enter a well for a Piper/Firemoon Formation test 3,096' MD / TVD. Surface casing set at 236' and cemented to surface.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS, OR INDIVIDUALS CONTACTED

Montana Bureau of Mines and Geology, GWIC website (Phillips County Wells).

US Fish and Wildlife, Region 6 website
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Phillips County

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T32N R32E

Montana Cadastral Website
Surface Ownership and surface use Section 1 T32N R32E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

No Action Alternative: The well would not be re-entered.

Action Alternative: Scout Energy Management, LLC would have permission to re-enter the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 1-2 days drilling time.

Unusually deep drilling (high horsepower rig): No, drilling rig for re-entry, 3,096' MD / TVD well.

Possible H2S gas production: None anticipated.

In/near Class I air quality area: No.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211. AQB review.

Comments: No special concerns – using rig to re-enter well to 3,096' MD / TVD. If there are no gas gathering systems nearby, associated gas can be flared under Board Rule 36.22.1220.

4. WATER QUALITY

Salt/oil based mud: Freshwater based mud to drill out cement plugs.

Surface drainage leads to live water: No, an unnamed ephemeral drainage is located about ½ of a mile to the east.

Water well contamination: No wells within a ½ mile radius.

Porous/permeable soils: No, sandy clay.

Class I stream drainage: No.

Groundwater vulnerability area: Yes, within groundwater vulnerability area.

Mitigation:

☐ Lined reserve pit

☒ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☒ Closed mud system

☐ Off-site disposal of solids/liquids (in approved facility)

Comments: Steel surface casing is set at 236' and cemented to surface to protect ground water. (Rule 36.22.1001).

5. SOILS/VEGETATION/LAND USE

Vegetation: Cultivated land.

Stream crossings: None anticipated.

High erosion potential: No, re-entering well, not much dirt work.

Loss of soil productivity: None, location to be restored after drilling well, if well is nonproductive.

Unusually large wellsite (Describe dimensions): No, location for re-entry.

Damage to improvements: Slight, surface use is a cultivated field.

Conflict with existing land use/values: Slight

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

- ☒ Stockpile topsoil
- ☐ Stream Crossing Permit (other agency review)
- ☒ Reclaim unused part of wellsite if productive
- ☐ Special construction methods to enhance reclamation

Access Road: Access will be off Rd 243 and existing trail.

Drilling fluids/solids: Drilling through cement plugs w/ freshwater mud.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No residences within ½ mile radius.

Possibility of H2S: None anticipated.

In/near Class I air quality area: No.

Size of rig/length of drilling time: 1-2 days drilling time.

Mitigation:

- ☒ Proper BOP equipment: 5,000#.
- ☐ Topographic sound barriers
- ☐ H2S contingency and/or evacuation plan
- ☐ Special equipment/procedures requirements
- ☐ Other:

7. WILDLIFE/RECREATION

Sage Grouse: General habitat, Program analysis received.

Proximity to sensitive wildlife areas (DFWP identified): None.

Proximity to recreation sites: None.

Creation of new access to wildlife habitat: None.

Conflict with game range/refuge management: None.

Threatened or endangered Species: Species identified as threatened or endangered in Phillips County are the Black-footed Ferret, Grizzly Bear, Northern Myotis, Piping Plover, Red Knot, and Pallid Sturgeon. Piping Plover is listed as threatened. MTFWP Natural Heritage Tracker website lists six (6) species of concern, the Hoary Bat, Long-eared Myotis, Little Brown Myotis, Swift Fox, Northern Redbelly Dace, and Greater Sage-Grouse.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☒ Other agency review (DFWP, federal agencies, DNRC Trust Lands, **Sage Grouse Habitat**

Conservation Program)

- ☐ Screening/fencing of pits, drillsite
- ☐ Other:

Comments: Private surface lands. There may be species of concern that maybe impacted by this wellsite.

We ask the operator to consult with the surface owner as to what he would like done if a species of concern is discovered at this location. Timing restrictions are in place to reduce disturbance to Sage Grouse. The Board of Oil & Gas has no jurisdiction over private surface lands.

IV. IMPACTS ON THE HUMAN POPULATION

8. HISTORICAL/CULTURAL/PALEONTOLOGICAL

Proximity to known sites: None.

Mitigation

☐ avoidance (topographic tolerance, location exception)

☐ other agency review (SHPO, DNRC Trust Lands, federal agencies)

Other:

9. SOCIAL/ECONOMIC

Substantial effect on tax base

☐ Create demand for new governmental services

☐ Population increase or relocation

Comments: No concerns.

IV. SUMMARY

No long term impacts expected. Some short term impacts will occur, but can be mitigated.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

EA Checklist

Prepared By:

Name: John Gizicki

Date: 04/24/23

Title: Chief Field Inspector